

**Grantee: Tucson, AZ**

**Grant: B-11-MN-04-0507**

**July 1, 2012 thru September 30, 2012 Performance Report**

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**Grant Number:**

B-11-MN-04-0507

**Obligation Date:****Award Date:****Grantee Name:**

Tucson, AZ

**Contract End Date:**

03/09/2014

**Review by HUD:**

Reviewed and Approved

**Grant Amount:**

\$2,083,771.00

**Grant Status:**

Active

**QPR Contact:**

Joyce Alcantar

**Estimated PI/RL Funds:**

\$0.00

**Total Budget:**

\$2,083,771.00

## Disasters:

### Declaration Number

No Disasters Found

## Narratives

### Summary of Distribution and Uses of NSP Funds:

25% of the funds (\$520,942.75) will be used for acquisition and rehabilitation of housing to be rented to households at or below 50% area median income. \$1,354,451.65 will be used for acquisition and rehabilitation for resale through the Pima County Community Land Trust to households whose income is between 50% and 80% area median income. 10% or \$208,377.10, will be used to administer the NSP 3 program.

July 26, 2012: Substantial amendment approved May 2012, adding to the target area of greatest need. This area covers Campbell and Irvington, east to Country Club, south to Drexel, west to Campbell and north back to Irvington.

### How Fund Use Addresses Market Conditions:

The target area will benefit with NSP 3 funding as vacant and foreclosed homes become occupied. The City of Tucson will leverage other services and funding in the target area to bring about a transformational change to the area and its residents. Services and programs that this department is responsible for that can be targeted in this area include:

- >- code enforcement efforts (within the department is a Code Enforcement Division)
- >- HOME dollars (proposals could be sought for rental or homeownership projects)
- >- Human services program funding (both CDBG and City funding)
- >- Home rehabilitation funding (federal funding sources)
- >- Historic preservation efforts (the City's Historic Preservation Office is within this department)
- >- Down payment assistance (federal sources)

>The targeted effort by the City of Tucson will result in an increase in private sector investment, which will speed the transformation of the area. With the public attention that has resulted from the City's planning work in the Oracle Area Revitalization Plan area, several large private sector investments have been made.

### Ensuring Continued Affordability:

Rental units will be rented through the City of Tucson EI Portal program, with rents not to exceed low-home rents, published annually, as established by HUD. Resale units will be sold through the Pima County Community Land Trust. These sales shall have a 99-year leasehold agreement, automatically renewable for an additional 99 years, with a resale restriction that limits equity to 25%. All initial buyers and subsequent buyers must be between 50% and 80% area median income. All mortgages shall not exceed 35% of their gross annual income.

### Definition of Blighted Structure:

Blighted structures shall be defined by reference to the City of Tucson's Neighborhood Preservation Ordinance (NPO) Section 16-14 titled "Dilapidated and Vacant Buildings and Structures; Building and Structures Constituting a Nuisance" and; Section 16-20 titled "Slum Properties, and the definitions section from Arizona Revised Statutes Title 36 - Public Health and Safety Article 3 - Slum Clearance and Redevelopment (1471). (2) and (18) "Blighted Area" and "Slum Area". The City of Tucson will not set aside any NSP 3 funding for demolition.



### Definition of Affordable Rents:

Affordable rents shall not exceed low HOME rents as defined by HUD by bedroom size.

### Housing Rehabilitation/New Construction Standards:

The City of Tucson's NSP Rehabilitation Standards can be found at the following link:

<http://cms3.tucsonaz.gov/sites/default/files/hcd/NSP%20REHAB%20SPECS%201-09.pdf>

>In addition, the City will, at a minimum, meet the City's Bronze certification for green rehabilitation, which meets all HUD requirements.

See link here to City of Tucson Residential Green Building Rating System:

><http://cms3.tucsonaz.gov/files/dsd/CityofTucsonGreenBuildingProgram.pdf>

### Vicinity Hiring:

> The City of Tucson will follow the Section 3 regulations and the City's Section 3 Plan and ensure that not less than 30% of new hires by contractors and sub-contractors will be Section 3 eligible persons. For hiring new employees, to the maximum extent feasible, affirmative marketing of any position openings will be directed to the NSP 3 Target Area, and a preference will be given to qualified residents.

### Procedures for Preferences for Affordable Rental Dev.:

For contractor hiring, to maximum extent feasible, affirmative marketing will be directed to qualified contractors who reside within the NSP 3 Target area and preferences will be given to any qualified small businesses.

### Grantee Contact Information:

Mike Czechowski  
Project Supervisor  
[mike.czechowski@tucsonaz.gov](mailto:mike.czechowski@tucsonaz.gov)  
310 N. Commerce Park Loop  
Tucson, AZ. 85745  
520-837-5333

Chris Kaselemis  
Administrator  
[chris.kaselemis@tucsonaz.gov](mailto:chris.kaselemis@tucsonaz.gov)  
310 N. Commerce Park Loop  
Tucson, AZ. 85745  
520-837-6956

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,083,771.00
Total Budget	\$0.00	\$2,083,771.00
Total Obligated	\$0.00	\$2,083,771.00
Total Funds Drawdown	\$243,064.56	\$402,049.66
Program Funds Drawdown	\$243,064.56	\$402,049.66
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$159,680.46	\$560,997.62
Match Contributed	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$312,565.65	\$0.00
Limit on Admin/Planning	\$208,377.10	\$102,081.46
Limit on State Admin	\$0.00	\$102,081.46

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$208,377.10	\$208,377.10

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$520,942.75	\$520,942.75

## Overall Progress Narrative:

As of September 30, 2012, a total of 3 single family homes and 2 tri-plexes have been purchased, with an additional 3 single family homes in escrow. Of the 3 single family homes purchased, one has been conveyed to the Pima County Community Land Trust (PCCLT), has been rehabilitated, and is currently for sale; one has been conveyed to the PCCLT, and is currently being rehabilitated. Third is currently being rehabilitated and will be used as a rental unit toward the 25% set-aside for individuals/families at or below 50% AMI. The 2 tri-plexes are also being rehabilitated and will be used as 6 rental units, completing the 25% set-aside for individuals/families at or below 50% AMI.

None of the units have been sold or occupied by renters, therefore beneficiary data has not been entered. Next quarterly report will have beneficiary data, and updates on above stated activity.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Administration	\$8,872.61	\$208,377.10	\$102,081.46
0002, Acquisition/Rehab for Rental	\$0.00	\$520,942.75	\$622.50
0003, Acquisition/Rehab for Resale	\$234,191.95	\$1,354,451.15	\$299,345.70

## Activities

<b>Grantee Activity Number:</b>	<b>9123</b>
<b>Activity Title:</b>	<b>NSP3 Administration</b>

### Activity Category:

Administration

### Project Number:

0001

### Projected Start Date:

03/09/2011

### Benefit Type:

( )

### National Objective:

N/A

### Activity Status:

Under Way

### Project Title:

Administration

### Projected End Date:

03/09/2014

### Completed Activity Actual End Date:

### Responsible Organization:

City of Tucson

### Overall

#### Total Projected Budget from All Sources

### Jul 1 thru Sep 30, 2012

N/A

### To Date

\$214,777.08

#### Total Budget

\$0.00

\$214,777.08

#### Total Obligated

\$0.00

\$208,377.10

#### Total Funds Drawdown

\$8,872.61

\$102,081.46

#### Program Funds Drawdown

\$8,872.61

\$102,081.46

#### Program Income Drawdown

\$0.00

\$0.00

#### Program Income Received

\$0.00

\$0.00

#### Total Funds Expended

\$27,321.23

\$129,402.69

City of Tucson

\$27,321.23

\$129,402.69

#### Match Contributed

\$0.00

\$0.00

### Activity Description:

The City of Tucson anticipates spending 10% of the grant amount, \$208,377, on administrative costs associated with the acquisition and rehabilitation work.

### Location Description:

Administrative activities will occur at our main office for the City of Tucson's Housing and Community Development Department at 310 N. Commerce Park Loop in Tucson Arizona.

### Activity Progress Narrative:

Administration cost for the quarter is \$27,321.23.

## Accomplishments Performance Measures

No Accomplishments Performance Measures found.

**Beneficiaries Performance Measures**

No Beneficiaries Performance Measures found.

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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**Grantee Activity Number:** 9540

**Activity Title:** Acquisition Rehab for Rental

**Activity Category:**

Disposition

**Project Number:**

0002

**Projected Start Date:**

03/09/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab for Rental

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Tucson

**Overall**

**Total Projected Budget from All Sources**

**Jul 1 thru Sep 30, 2012**

N/A

**To Date**

\$520,942.75

**Total Budget**

\$0.00

\$520,942.75

**Total Obligated**

\$0.00

\$520,942.75

**Total Funds Drawdown**

\$0.00

\$622.50

**Program Funds Drawdown**

\$0.00

\$622.50

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$91,908.07

\$327,008.57

City of Tucson

\$91,908.07

\$327,008.57

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. approximately 4 homes will be transferred to the City's El Portal program for permanent rental

**Location Description:**

The target area that is proposed for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

>

>The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

>

>It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

>

>&bull; The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);

>&bull; The proximity to the University of Arizona.

>&bull; The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.

>&bull; The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;

>&bull; The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

**Activity Progress Narrative:**

Quarterly Expenditure \$91,908.07

**Accomplishments Performance Measures**

No Accomplishments Performance Measures found.

**Beneficiaries Performance Measures**

No Beneficiaries Performance Measures found.

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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<b>Grantee Activity Number:</b>	<b>9541</b>
<b>Activity Title:</b>	<b>Acquisition Rehab Resale</b>

**Activity Category:**

Disposition

**Project Number:**

0003

**Projected Start Date:**

03/09/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab for Resale

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:**
**Responsible Organization:**

City of Tucson

**Overall**
**Total Projected Budget from All Sources**
**Jul 1 thru Sep 30, 2012**

N/A

**To Date**

\$1,412,051.00

**Total Budget**

\$0.00

\$1,412,051.00

**Total Obligated**

\$0.00

\$1,354,451.15

**Total Funds Drawdown**

\$234,191.95

\$299,345.70

**Program Funds Drawdown**

\$234,191.95

\$299,345.70

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$40,451.16

\$104,586.36

City of Tucson

\$40,451.16

\$104,586.36

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. By selling these homes through the Pima County Community Land Trust, the homes are occupied as soon as possible, eliminating the vacant property issue for neighborhoods. We will purchase the homes at not less than one-percent below appraised value and sell them at market value, which helps stabilize housing prices in these neighborhoods. The Pima County Community Land Trust homes will be leased for a period of 99 years, which is automatically renewable for a second 99 year period.

**Location Description:**

The target area for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

&gt;

>The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

&gt;

>It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

&gt;

>&bull The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);



- >&bull; The proximity to the University of Arizona.
- >&bull; The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.
- >&bull; The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;
- >&bull; The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

### Activity Progress Narrative:

Quarterly Expenditure \$40,451.16.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/12

  

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/12
# of Singlefamily Units	0	0/12

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/0	0/12	0
# Owner Households	0	0	0	0/0	0/0	0/12	0

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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